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Poverty eradication and sustainable development

Report of the Secretary-General

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INTRODUCTION

1. This document reports on progress in the implementation of the provisions of chapter 3 of Agenda 21 1/ and contains proposals for future action for poverty eradication. The report was prepared by the United Nations Department for Policy Coordination and Sustainable Development as task manager for chapter 3 of Agenda 21, in accordance with arrangements agreed to by the Inter-Agency Committee on Sustainable Development at its fourth session. It is the result of consultations and information exchanges between designated focal points in a large number of United Nations agencies, governmental officials and a number of other institutions and individuals.

2. The report emphasizes the need for an enabling strategy to eradicate poverty with the Government and people living in poverty sharing responsibilities in an efficient manner. Consistent with the broad guidelines of chapter 3 of Agenda 21, it explores short-to-medium-term and long-term measures to eradicate poverty and maintain environmental integrity, with the underlying premise that the persistence of mass poverty is a reflection of political and socio-economic structures. The short-to-medium-term strategy is based on the need quickly to raise the incomes of the poor. To that end it proposes the creation of productive employment for the poor through the effective provision of productive assets, complemented by direct anti-poverty governmental measures. The long-term strategy stresses capacity-building, including the development of human resources, institutions and infrastructures; slowing down of population growth; and a re-orientation of development strategies to include poverty eradication as a central objective of development. The issue is addressed from the economic point of view, emphasizing efficiency and economy-wide growth; from the social point of view, stressing equity considerations; and from the political point of view, stressing empowerment of the poor to participate effectively in political and economic decision-making. The basic principle underlying the proposals is that in order to eradicate poverty, economic efficiency, equitable redistribution from growth and provision of social services; and political justice and equality must go hand in hand.

3. To the extent permitted by the availability of information, the report reviews the experiences of a number of countries and non-governmental organizations in combating poverty and the action they propose to take in the future. It also provides an overview of the consensus on poverty eradication reached by a number of major intergovernmental conferences of the United Nations and the strategies put forward by a number of organizations of the United Nations system.

I. DIMENSIONS OF THE PROBLEM: A CAPSULE OVERVIEW

A. Definition and extent of poverty

4. Poverty can be measured in both relative and absolute terms. Absolute poverty is generally taken to mean a condition characterized by severe deprivation of essential needs at a basic level such as nutrition, housing, health services, safe drinking water and sanitation facilities and education.

Thus defined, the severity and magnitude of absolute poverty is country-specific and needs to be assessed at the country level for operational purposes.

5. The major common economic characteristic of the poor is that they lack productive assets, either in terms of physical or human capital. In the rural areas, where they are predominantly located in most of the developing regions except Latin America, they are the landless or near-landless illiterate agricultural workers, nomads, fishermen, pastoralists and forest dwellers who eke out a subsistence income from seasonal agricultural employment or from marginal lands and forests or from low-income non-farm work. In the urban areas, they are the unskilled and unschooled people lacking physical capital who depend for subsistence on the low-wage informal sector and the bottom layer of the services sector, without the support of the Government, or who scavenge materials from dumps and the streets. The incidence of poverty is often particularly high among the socially repressed, such as ethnic minorities, including indigenous peoples.

6. Whether in rural or urban areas, people living in poverty suffer from undernutrition, even after spending the bulk of their income on food. Their children are generally below average weight for age and suffer from impaired mental and physical development which jeopardizes their ability to be gainfully employed as adults. Ill-health among the poor is widespread and saps their productive energy, reduces family incomes and prevents children from taking full advantage of education wherever it is available. Average death rates among the poor are higher, as are infant and child mortality rates.

7. Defined by the World Bank as those with incomes below minimal levels permitting a nutritionally adequate diet and access to essential non-food needs, people in absolute poverty in the developing countries numbered 1.1 billion in 1990. This estimate represented an increase of some 100 million over the 1985 level. There is no presumption that these quantifications constitute accurate measures of the extent of poverty. They are meant simply to provide orders of magnitude which are useful from a practical point of view. What is of greater cause for concern is that, on the basis of present policies, medium-term prospects for reducing the number in absolute poverty remain dim. In 1992, World Development Report revised a more optimistic assessment made only two years earlier and assessed the medium-term prospects as follows: "Even under fairly hopeful assumptions about economic recovery in the rest of the decade, the absolute number of the poor in the world at the turn of the century will be higher than in 1985." 2/

B. The poor and environmental stress

8. Over time, the majority of the rural poor have increasingly become clustered on low-potential land. Some 60 per cent of the world's poor live in fragile and highly vulnerable areas - arid and semi-arid lands, steep slopes and forests. 3/ This has been the result of a combination of factors, with some playing a more important role in some countries than in others, such as expropriation, demographic pressures and intergenerational land fragmentation, privatization of common lands, and consolidation and expansion of commercial agriculture with reduced labour inputs. Of these factors, demographic pressures

continue to play an inexorable underlying role in the geographical and economic and social marginalization of the poor in most countries with high incidence of poverty.

9. Either pushed out or squeezed out of high-potential land, the rural poor have no choice but to over-exploit the marginal resources available to them through low-input, low-productivity agricultural practices - overgrazing, soil-mining and deforestation, with consequent land degradation. Land degradation has certainly not been caused mainly by the poor. Most deforestation has been caused by logging interests and/or rich farmers with considerable concessions. Soil erosion, waterlogging and salinization, which have resulted in desertification in many parts of the world, have been caused by rich farmers with considerable financial support.

C. Environmental degradation and the health of the poor

10. The rural poor suffer from ill-health mainly on account of undernutrition and/or malnutrition. Their health is further undermined by various forms of pollution and agricultural hazards - most importantly, by water pollution, since they depend for drinking water on heavily polluted water bodies; lack of sanitation facilities; indoor air pollution from the use of biomass fuel for cooking and heating; and inadequate shelter.

11. The urban poor are victims of all forms of environmental degradation. Over 130 million of the developing world's poor live in the worst parts of urban areas. 4/ Whether due to absolute shortage of land or high rents on serviced urban lands, these people cluster in slums and squatter settlements in the urban periphery in areas prone to hazardous natural and man-made environmental conditions such as flood plains, slopes or on land adjacent to dangerous industries and dump sites. They have to contend with bad sanitation, contaminated water, floods and landslides and chemical pollution. According to WHO, an estimated 600 million urban dwellers in the developing world live in what might be termed life- and health-threatening circumstances. The most vulnerable are those in absolute poverty. 5/

II. IMPACT OF PAST POLICY ON POVERTY

A. Impact of economic policy

12. In the decades preceding the 1980s, interest rate, exchange rate and trade policies meant to promote industrialization through import substitution are known to have induced capital intensity in industry. Until recently the phenomenon was widespread throughout the developing world. Thus the expectation that economic diversification from agriculture into industry would help absorb the rural labour force into higher productivity employment failed to materialize fully in most developing countries. Two other major factors contributed to this outcome: one was widespread governmental controls on industrial activity, which stalled industrial expansion in the first place; the other was high rates of population growth which swelled the labour force. Investment rates varied among

countries but generally fell short of the requirements for creating adequate employment.

13. Public-sector investments in agricultural infrastructure have been substantial in developing countries. Whether adequate or not from the point of view of raising agricultural productivity and expanding agricultural production, they have had a tendency to be biased towards areas owned by large landowners to the neglect of the peasant sector. In many countries, agricultural marketing boards, established originally to stabilize the prices of farm products, ended up squeezing the profits of farmers through low prices, either to provide cheap food to urban dwellers or to generate revenue for the Government. This practice discouraged investments in agriculture and resulted in sub-optimal agricultural expansion. In some countries, changes in pricing policies, while succeeding in increasing agricultural production, have aggravated poverty, especially in urban areas, by raising the food bill. Subsidized mechanization and modern inputs, while contributing to agricultural yield, reduced the demand for agricultural labour. Subsidized credit has tended to benefit mainly large and medium-sized farmers.

B. Impact of policy in the social sectors

14. Social spending has varied from country to country. Significant, although uneven, progress has been achieved, which is reflected in the improvement of a variety of social indicators. By and large, however, social spending has been insufficiently directed to the poor and to the very poor in particular. For instance, in many countries there has been an overemphasis on expensive curative health care, limited mainly to the cities, to the neglect of the cheaper preventive care that could be extended to rural areas without too much strain on the government budget.

15. Education, like health, tends to be concentrated in the urban areas. Many countries spend major portions of their education budget to provide free university education which is enjoyed overwhelmingly by the children of the middle and upper classes who could afford to pay for it in whole or in part while they neglect primary education, especially in areas where most of the poor reside. An even more serious problem is the quality of education, which varies widely not only from country to country but also within countries between urban and rural areas. For various reasons the quality of education is much worse in the rural areas and in urban shanty-towns, which puts children from those areas at a disadvantage, especially in the industrial job market.

16. The problem with housing is similar. In many countries, the bulk of public housing is meant for the urban working class and civil servants while the poor are for the most part ignored. Even sites-and-services schemes usually end up benefiting the non-poor. In some cases, they are actually harmed - for example, by shanty-town clearance without provision for relocation.

17. Much the same is true for subsidized distribution of food to the poor. Its effectiveness depends on targeting. Many countries allocate considerable proportions of public expenditures for food subsidies, but the bulk of those allocations go to civil servants, the police, families of the armed forces, and

factory employees - in sum, largely to urban areas where they benefit middle-income groups, while the rural and urban poor benefit only marginally. In the 1980s food subsidies were often actually phased out as part of stabilization measures.

III. GENERAL OVERVIEW OF STRATEGIES TO COMBAT POVERTY

18. In this section an attempt is made to adhere to the indicative guideline provided in paragraph 3.2 of Agenda 21 - namely, that "an effective strategy for tackling the problems of poverty, development and environment simultaneously should begin by focusing on resources, production and people and should cover demographic issues, enhanced health care and education, the rights of women, the role of youth, and of indigenous people and local communities and a democratic participation process in association with improved governance". 1/

A. Reorientation of economic policy: stabilization and structural adjustment

19. Since the early 1980s, stabilization and structural adjustment measures have been implemented in most developing countries, to varying degrees, in order to correct past policy mistakes. The framework of policy reform is comprehensive, encompassing macroeconomic, sectoral and even micro-economic policies. The broad goals are to rationalize demand management in order to eliminate excessively high public-sector deficits which fuel inflation and are translated into external imbalances; remove price distortions (wage rates, interest rates, exchange rates and commodity prices) and improve allocative efficiency; reduce the presence of the public sector in directly productive activities so as to eliminate the losses of State-owned enterprises which often operate inefficiently and constitute a drain on the government budget; remove unnecessary controls and regulations on private-sector industry; liberalize trade policy in order to promote exports and increase competition; restructure government spending in the direction of priority sectors, such as economic and social infrastructure; and enhance the efficiency of public sector enterprises.

20. Policy reform is necessary for long-term sustained growth and needs to be implemented in a sustained manner. Implementation of reform measures without the provision of safety nets, however, has exacerbated the poverty situation, at least in the short run. It is realized now, at both the national and international levels, that stabilization and structural adjustment programmes should include safety nets as an integral element so as to protect vulnerable groups effectively during the transition to sustained growth.

B. Need for discretionary measures to eradicate poverty

21. Since poverty is a social phenomenon associated with a high degree of inequity in the distribution of political and economic power, its eradication calls for shifts of major significance in the structure of political and economic systems. The foremost requirement for the elimination of poverty is a strong political commitment to that end. Given the political commitment and a

policy framework conducive to economy-wide efficiency and growth, the most effective approach would be a set of enabling measures that would empower the poor economically to lift themselves out of poverty. The concept of an enabling strategy does not imply any diminution of government responsibility. What it does imply is that the Government and the poor should share responsibilities in the most efficient way possible.

22. It is evident that low-income countries with a high incidence of poverty cannot generate adequate resources to provide directly for the poor. They cannot afford adequate resources even to cover all the poor by their conventional poverty mitigation schemes, even if the schemes were to operate optimally. Economic growth is important for poverty reduction but past experience indicates that the "trickle down" process is too slow in reducing poverty and particularly so in the context of high population growth and land scarcity. In this regard the experience of the second half of the 1980s, for instance, is worthy of note. In its 1992 World Development Report, the World Bank states that there was "a negligible reduction in the incidence of poverty in developing countries during the second half of the 1980s". 6/ With very strong economic growth in South Asia, where over 50 per cent of the absolute poor of the developing world are located, the percentage of population in absolute poverty declined by some 2.8 per cent but the number of people in absolute poverty rose by 30 million. At this rate it would take South Asia almost a century to eradicate absolute poverty. Since the rate of growth achieved in the second half of the 1980s cannot be expected to be sustained over that long a period of time and since population is not likely to stabilize for at least another half century, poverty eradication through current patterns of growth would seem to be an illusive goal in South Asia. More importantly, in China, which also experienced strong economic growth, the poverty situation actually worsened in the second half of the 1980s as a result of the evolution of a more uneven distribution of income. Only in South-East Asia did poverty decline both as a percentage of population and in numbers. In all the other developing regions, as a result of weaker economic growth and/or rapid population growth, the incidence of poverty increased both in numbers and as a percentage of population. It must be fully recognized that factors that make for maximum economic efficiency are not necessarily conducive to equity. Hence, the urgency of governmental intervention - not to provide directly for the poor but to enable the poor to provide for themselves through poverty-reducing growth strategies.

23. While the general thrust of chapter 3 of Agenda 21 on "combating poverty" is long term, calling for a specific long-term integrated strategy for poverty eradication and sustainable management of the environment, chapter 3 also emphasizes the need for measures to combat poverty in the short term. Objective number one of the chapter is to provide all persons with the opportunity to earn a sustainable livelihood through special policies and programmes that contain immediate measures enabling local community groups to alleviate poverty and develop sustainability.

C. Measures for combating poverty

1. Short- and medium-term employment and income-raising measures

(a) Rural measures

24. Since poverty is a multidimensional problem, no single measure to combat it will suffice, in the short term, medium term or long term. A package of complementary measures is needed, of which the most important is the provision of adequate productive resources that will enable the poor to raise their own incomes through productive activities.

25. For the rural poor who constitute the bulk of the poor in developing countries and who are unskilled and illiterate, the most effective approach to providing them with productive assets is agrarian reform - redistribution of land and reform of tenancy laws. This basic measure can be complemented by others, notably:

(a) Promotion of agro-industries;

(b) Expansion of animal husbandry - poultry farming, fish farming where feasible, silviculture, etc.;

(c) Provision of training facilities in simple artisan and craftsmanship skills which can be acquired quickly even by illiterate people;

(d) Government work programmes for the construction of social and economic infrastructure;

(e) Food subsidies for those whose incomes cannot be raised by the above activities.

26. Land redistribution in economically viable units, security of tenure and fair land rents for tenants and sharecroppers can lead to increased growth of agricultural production. Together with price reform, fair agricultural taxation policies, marketing facilities and access of small farmers to water, credit, extension services and appropriate technology, land redistribution can raise the incomes of the poor, reduce substantially the high initial inequality in the rural distribution of income and reduce pressure on marginal lands. Such reforms, by raising the incomes of the poor, will also reduce the need for large-scale poverty mitigation government schemes - food subsidies, food for work programmes, child nutrition and so on. In this regard the International Fund for Agricultural Development (IFAD) has observed "that poverty should be confronted directly at its roots by overcoming the constraints that give rise to it rather than merely treating the symptoms of poverty through welfare transfers". 7/

27. What is needed and what may be feasible is not an egalitarian redistribution of land but rather access of the poor to land in minimally viable units that are adequate for them to make a decent livelihood without drastically affecting the holdings of large land-owners. The feasibility of implementing

land reform programmes varies from country to country. It would be relatively more feasible politically in countries where arable land to rural population ratios are still high, such as those in Africa and Latin America. Land can be redistributed in these regions in economically viable units without reducing the holdings of large land holders significantly. Where necessary, such as in Africa, redistribution needs also to be accompanied by the institution of ownership rights, individual or cooperative, so as to encourage small-holders to invest in their lands and cultivate them sustainably. Even in countries where the ratio of arable land to rural population is relatively low, if the distribution of land ownership is highly skewed, it would be possible to redistribute land to the landless poor without drastically affecting the holdings of big land owners. Land taxation based on potential production can facilitate voluntary redistribution of land, while stimulating its productive use and augmenting fiscal revenues. In some countries, where land fragmentation has reduced small-holdings to unviable sizes, it may be necessary to consolidate land, for example, in the form of cooperatives, to ensure more productive farming.

28. In all developing countries there is considerable scope for labour absorption in the rural areas through the promotion of agro-industries, both in agricultural raw materials and food commodities. Agro-industries are desirable not only for employment creation for the poor but also for general economic growth. Expansion of animal husbandry - fish farming, poultry farming, silviculture, etc. - either for domestic consumption or exports can also provide additional high income employment to the poor. The main obstacles to exports of processed agricultural products, at the present time, are tariff barriers in the industrial countries escalating with the degree of processing. Greater market access to processed agricultural commodities would be of immense benefit in terms of poverty alleviation, even in the medium term.

29. Much can be done in a relatively short time-frame for considerable numbers in the vast pool of unschooled and unskilled young people past the school age through the provision of facilities for the development of artisan and craftsmanship skills. Such skills are at present limited in diversity in the rural areas and are acquired through long years of exploitative apprenticeship which serves as a disincentive to most poor young people. A wide range of non-farm labour-intensive activities are possible in rural areas, given the requisite skills, with very little capital and using simple hand-powered machines without the whole complex of industrial infrastructure. Some necessary requirements in addition to training facilities are institutional facilities, particularly for credit and marketing. The development of such skills can be based on potential demand for products, utilizing them either in the domestic or the international economy.

30. Past experience has shown that governmental programmes cannot serve as an effective basic strategy for combating poverty because, although they benefit some poor people, they are generally inadequate and often unsustainable on account of budgetary constraints. Directed towards the construction of necessary social and economic infrastructure, they can none the less serve as a useful complement to more effective employment- and income-creating measures. Such work programmes need to emphasize productive employment such as reclaiming land for agriculture, afforestation and reforestation; building rural roads,

health centres, school buildings and drainage canals; infrastructure for sanitation, safe drinking water supply, irrigation and waste collection and disposal; all of which are badly needed.

(b) Urban measures

31. An urban strategy for the short and medium term should aim at reducing the large numbers of underemployed currently engaged in the so-called informal sector and low-wage services sector by increasing labour absorption in modern formal industry. Even more important, meaningful support needs to be given to small-scale enterprises including microenterprises and cooperative ventures in order to raise the productivity of the poor and maximize productive employment. Such a strategy would include liberalization of industrial regulations, provision of credit and marketing facilities and facilities for training in simple skills. Depending on the extent of urban poverty, the short-to-medium-term enabling solution will have to be supplemented by anti-poverty schemes to provide productive employment to the urban poor of the type mentioned above, complemented by targeted food subsidies.

2. Long-term employment and income-raising measures

(a) Rural measures

32. Land reform, where feasible, will have an immediate impact on poverty and, if effectively implemented, is likely to keep the beneficiaries above the poverty line for quite some time - about a generation - but by itself it will not be adequate as a long-term solution for poverty eradication. This is because, in the long term, possibly in a generation, the redistributed land will again undergo fragmentation under population pressure and become economically unviable. It will, however, allow time for the implementation of longer-term measures that will be needed to strengthen the ability to combat poverty or to prevent a resurgence of mass poverty. A longer-term solution for poverty eradication would include four broad measures in the framework of macroeconomic and trade policies conducive to economy-wide growth:

(a) Encouragement and creation of non-farm rural industries;

(b) Expansion of agro-industries and animal farming;

(c) Investment in human resources development;

(d) Control of population growth.

These are long-term solutions, because non-farm rural industries can reach a significant scale only gradually due to the long gestation periods of complementary investment involved in physical infrastructure, human resources and institutional capacity; also population growth can be slowed down only gradually.

33. It is generally recognized that the capacity of agriculture to absorb the growing labour force on a long-term basis is limited in most of the developing

countries with a high incidence of rural poverty by the sheer unavailability of additional arable land. More importantly, the labour force in agriculture is more likely to shrink than to expand with growing modernization and mechanization which is necessary for raising agricultural productivity and efficiency. This trend should be welcomed since it will also permit the release of land from agriculture for reforestation which will be necessary not only to prevent land degradation but also to rehabilitate watersheds and meet the need for industrial wood and fuelwood.

34. The solution to the growing net rural labour force cannot be found mainly in migration from rural areas to the existing large urban agglomerations either, since increasingly large numbers of people born in the urban areas themselves are becoming marginalized. The most effective solution lies in the creation of non-farm rural industries and services based on small-scale and microenterprises in small towns and villages. This would constitute the basic element of the long-term poverty eradication strategy. A crucial requirement to success will be the creation of industrial infrastructure in suitably located small towns and villages, accompanied by credit and marketing facilities. The spread of small-scale and microenterprises in rural areas will help contain rural-to-urban migration, which will reduce competition for jobs among the urban poor and the cost to Government for providing social services. It will also create additional employment in existing urban areas through increased demand for simple tools, intermediate inputs and transportation facilities.

35. In the longer term, the development of agro-industries and animal husbandry is likely to play a significant role in the absorption of rural labour in more productive employment. One reason is the gradual liberalization of agricultural trade which is likely to reduce barriers to processed agricultural commodities from developing countries. Another is the dramatic growth of urbanization in developing countries. Demographers expect that by the year 2025, some 47 per cent of the population in the developing countries will live in urban agglomerations, as compared to 29 per cent at the present time. Concentration of people in urban areas in such proportions will require large inventories of foodstuffs in urban areas, much of which will be economically feasible only in processed form.

(b) Urban measures

36. A long-run solution to the eradication of urban poverty should include substantial deregulation in the formal urban industrial sector and adequate macroeconomic policies. Such policies would aim at low rates of inflation, price flexibility and largely market-determined interest rates and exchange rates. This would encourage entrepreneurs to choose labour/capital ratios that reflect true scarcities. Trade policy and tax regimes should be designed so as not to serve as disincentives to exports. Such policies would encourage faster industrial expansion and increased employment. The pace of their implementation is often hampered by various considerations - notably, the fear of political and social consequences of short-term adverse effects which could be averted through the integration of appropriate safety nets in policy reforms.

37. Labour-absorption by the industrial sector also depends to a great extent on the availability of a skilled labour force. Human resources development is,

accordingly, a necessary condition for the success of a strategy aiming at greater labour absorption in modern industry. However, even with optimal policies, the modern sector alone cannot usually provide adequate employment opportunities for the bulk of the rapidly growing urban labour force. Thus, in addition to the provision of appropriate training for all levels of industry, enabling measures, such as special credit facilities, are needed for smaller enterprises, including microenterprises.

(c) The services sector

38. In most developing countries, the service sector already accounts for high proportions of gross domestic product but the bulk of the service sector, both in rural and urban areas, offers only low-wage, low-income employment in which large numbers of the poor are engaged. The expansion of urban industry and non-farm rural industries would create higher productivity employment in the service sector, such as repair and maintenance of plant and equipment, transportation, telecommunications and home appliances, which would require greater investment in education, particularly in the training of the poor in appropriate skills. Another area that will offer considerable scope for remunerative employment and that needs greater attention in the future in the developing world is tourism. It is estimated that in 1995 gross travel and tourism output will amount to $3.4 trillion and account for 10.9 per cent of world gross domestic product, of which the share of OECD countries will be 78 per cent. By 2005, gross travel and tourism output is projected to more than double in size, to $7.2 trillion. 8/

3. Human resources development

(a) Education

39. Measures to increase employment and incomes, such as those discussed above, depend critically on the building of human capacity for their success. Thus basic education, which provides a foundation for acquiring specialized skills, should be extended to all, including girl children, an agreed objective of the Jomtien Declaration. 9/ A major reform measure needed is to introduce facilities for training in skills as a complement to general education, particularly at the post-primary level. Efforts should be made to put in place a full programme of general secondary education for all, as soon as possible, in order to build a solid foundation for the acquisition of skills. These measures are needed to achieve the diversified and increasingly sophisticated skill structure required for the growth of both urban and non-farm rural industries.

(b) Health, sanitation and safe drinking water

40. It is generally recognized that the earnings approach to combating poverty is not adequate, because some things may simply not be available for the poor to buy. This applies most generally to services that are often or mainly public monopolies or are publicly controlled and which call for considerable investments in the related infrastructure, which are not likely to be undertaken by the private sector because of the low effective demand of the poor. Health care, sewerage and safe drinking water are typical examples. With rising

incomes the poor should be able to afford rudimentary but satisfactory sanitation facilities with some technical advice on sewage disposal facilities from the Government, but it will remain the responsibility of the Government to provide basic health care and safe drinking water facilities to the poor wherever they are located. In the area of health care, coverage can be considerably increased through a shift of emphasis from curative to preventive health care. Access to safe drinking water can be greatly expanded by charging user fees. User fees should be imposed or raised to realistic levels on those who have the ability to pay. The extreme poor should be exempted from such charges. Community participation through "sweat equity" in the building of small-scale water-supply facilities and health centres from which the participants derive direct and exclusive benefits can also help lighten the governmental budgetary burden.

41. Urbanization in developing countries has been accompanied by considerable stress on the natural environment and the health of the urban poor. The urban poor are the primary victims of municipal sewage discharged into water bodies and the improper disposal of solid waste and toxic chemicals. The urban poor need to be protected from the immediate threats to life posed by unhealthy sanitation facilities, contaminated water supplies and indoor air pollution. Regarding sanitation facilities, a wide range of effective technologies that are much cheaper than the conventional capital-intensive technologies and which use locally manufactured hardware - plumbing, concrete caps, etc. - are available.

42. As far as safe drinking water supply is concerned, cities can encourage water conservation in water-intensive industries as well as in the services and residential sectors and increase the resources available for expanding infrastructure, by ensuring that non-poor water consumers pay realistic prices for water and by better maintenance of existing distribution systems to prevent leakage. The amount of leakage is so large that better maintenance of the existing distribution systems alone may suffice to provide safe drinking water to most of the still unserved urban poor in many countries. Where necessary, these measures need to be supplemented by the development of additional supplies to meet the minimum needs of the poor, at least through public stand pipes. Such measures would enable Governments to meet the basic health needs of the poor, such as those identified at the 1978 International Conference on Primary Health Care. 10/

(c) Food subsidies

43. Food subsidies targeted to the absolute poor can play an important complementary role as a safety net, even in the medium term and the long term, until the income-raising measures cover nearly all the poor. To eliminate hunger and malnutrition, increased efforts are needed to implement the outcomes of the 1992 International Conference on Nutrition. 11/

(d) Adequate housing

44. Good health requires not only adequate nutrition, health care and safe drinking water but also adequate shelter, which at a minimum is sufficiently roomy, free of dirt, well ventilated, well lit by sunshine and capable of withstanding the inclemencies of weather. At present, the shelters of the poor,

whether in rural or urban areas, do not meet any of these basic requirements since insufficient progress has been made in implementing the recommendation of the Global Strategy for Shelter for All by the Year 2000. 12/

45. In rural areas, efforts need to emphasize enabling the poor to build their own houses, using local materials with appropriate technical advice from the Government, access to materials and where necessary access to building sites, particularly to the landless. Meeting the adequate housing needs of the urban poor will pose a special challenge. Building land and materials are more expensive than in rural areas and well beyond the reach of the absolute poor, even for very modest but adequate housing. Given the low effective demand of the poor, provision of housing to them by the market is not viable either. The available options would be to subsidize the rents of the poor to induce the market to produce housing for them; to provide the poor with technical advice and subsidies for materials and building sites to enable them to build their own housing; and to make available public housing to the poor at affordable rents. All three options will involve heavy public outlays, but one or some combination of them need to be chosen if the urban poor are to be adequately housed. Caution needs to be exercised to ensure that, in whatever form housing subsidy is provided, it is directed strictly to the poor. The recommendations adopted at the forthcoming United Nations Conference on Human Settlements (Habitat II), scheduled for 1996, will have relevance to Governments in this regard.

46. Solutions to indoor air pollution are more difficult to find. While technologies to use energy more efficiently and mitigate adverse health effects are available, their use requires financial resources that the poor do not have. The ultimate solution thus lies in measures to raise the income of the poor quickly or to reduce the cost of alternative technologies drastically - solar stoves, more efficient and less polluting conventional stoves, using biomass as fuel. To deal effectively with the growing waste problems, emphasis needs to be placed on waste prevention, minimization and re-use. In this area there is not only need for more stringent environmental laws, there is also room for economic instruments and, of course, many forms of local action. Hazardous toxic materials may have to be banned outright.

(e) Population policies

47. Long-term poverty eradication also requires the implementation of appropriate population policies. Because of demographic dynamics, population growth cannot be slowed down rapidly, which underscores the urgency of implementing the recommendations of the International Conference on Population and Development 13/ by ensuring the full participation of the intended beneficiaries, particularly women, in the design and implementation of quality reproductive health services, including family planning. Poverty eradication measures, if successful in raising the levels of income, education and health of the poor, will themselves serve to slow down population growth and will thus enhance the effectiveness of population policies.

D. Socio-political empowerment of the poor

1. Fuller participation of the poor and the role of non-governmental organizations

48. There is a growing realization that the economic matrix of poverty and the possibilities for change are intimately linked to the structures of political and social systems in countries with a high incidence of absolute poverty. Poor people are poorly educated, imperfectly aware of how their own political systems and institutions work, and are unorganized. By definition they lack economic leverage and even in democratic societies are unable to translate their voting power into political power, which is necessary for steering socio-economic change in their favour. Vested interest groups are often successful in resisting the introduction of measures intended to combat poverty, unless and until a major crisis occurs which catalyses socio-political reform.

49. The measures outlined above would have a greater chance of implementation if the poor participated more fully in local and national politics and socio-economic institutions. A decentralization of political authority to the provincial and local levels would greatly enhance the opportunities for participation of the poor. Even in a democratic society the poor need some enabling measures in order to participate effectively. They need to be organized and trained in how to claim their legal rights effectively. Much of the enabling work can be accomplished by those non-governmental organizations that are willing to operate in an independent, professional, transparent and accountable manner. Non-governmental organizations can also perform advocacy functions on behalf of the poor at the national and provincial levels, but only if they have established a clear legitimacy to speak for their constituencies. The ultimate aim of non-governmental organizations, however, should be promotional and educational, with a view to enabling the poor to organize themselves.

50. The direct involvement of the poor in local development organizations can often enhance their effectiveness. Such organizations can take many forms - producer cooperatives, consumer cooperatives, savings and credit cooperatives, training organizations and self-help organizations engaged in building small-scale irrigation facilities, health centres, small-scale local water supply facilities, school buildings etc. Care should be taken to ensure that the activities of self-help local organizations are geared to benefit and not to exploit the poor.

2. Empowerment of women

51. Social and legal reforms are needed in many developing countries to enhance the participation of women in socio-political and economic institutions. In many countries they are denied many rights, either by law or tradition. For instance, they are often denied the right to participate in such organizations as cooperatives and credit institutions. They are often denied the right to own land and other property, and a high proportion of them are denied access to education. Such deprivations make it difficult for poor women to lift themselves out of poverty. Many Governments have taken remedial action, but

most Governments need to do more to enable women to enjoy the same rights as men. Administrative and legal reforms and changes in customs and attitudes are likely to be achieved through greater democratization, sensitization of the general public to the potential contribution of women to socio-economic development, and - most importantly - through the education of women, which is one of the most important means of empowering them. Ultimately it is education that will enable women to claim their legitimate rights. It is also an area in which there is likely to be less opposition to governmental action from traditionalists opposed to social change. The education of women will also have an immense influence on population growth. To combat poverty, measures to provide poor women with access to productive assets, including credit, ought to be accorded especially high priority. The forthcoming Fourth World Conference on Women is expected to provide guidelines and priorities for action in favour of women.

3. Action in favour of indigenous peoples

52. Among the poor, indigenous peoples constitute a special group because they live largely outside of mainstream society. Their number is estimated at some 300 million. 14/ Most indigenous communities experience encroachment on their lands and natural resources by outsiders. They often lack clear land ownership rights or suffer from constant violation of their statutory rights. Recent World Bank studies of indigenous peoples, particularly in Latin America, reveal that they fall in the category of the poorest and most destitute, with the highest rates of infant mortality, childhood malnutrition and the lowest rates of literacy and schooling. One World Bank study states "that historically indigenous lands have been appropriated by outsiders, and indigenous labour has been utilized for indentured or low-paid work in mines and on ranches and plantations". 15/

53. Of late, a large number of indigenous organizations have emerged and are reaffirming their rights, cultural values and identities. Their platforms are based on combating negative attitudes towards indigenous peoples; participation in local decision-making and development policies; preserving their languages and cultures; and, most importantly, maintaining control over indigenous lands and natural resources. Increasingly, indigenous organizations are also asking for a larger share of national development budgets for their constituencies and are approaching international agencies to provide financial support and technical assistance for their development projects.

54. Emphasis needs to be placed on granting indigenous peoples secure property rights which are necessary for their economic well-being and its sustainability. Secure property rights need to be accompanied by human capital formation in terms of better schooling, training and health services and by employment-generation schemes to reduce their dependence on the informal sector. In order for them to realize their socio-economic objectives, whether integration into mainstream society or preservation of indigenous cultures, indigenous peoples should be enabled to participate actively in the formulation and implementation of development projects meant for them by their national governments and/or the international community. It is hoped that during the International Decade for Indigenous People which commenced in 1994, the international community will

strive to restore to indigenous people their legitimate rights and ratify ILO Convention No. 169 concerning indigenous and tribal peoples.

4. Measures for other special groups

55. In all countries there will be some groups of people, such as the physically disabled, the mentally handicapped, the aged, orphans and abandoned children, who will not benefit adequately, if at all, from employment-creating measures. The only possibility for these groups of people to attain adequate standards of living will be social assistance designed to meet their needs.

IV. SUSTAINABLE RURAL DEVELOPMENT AND POVERTY ERADICATION

A. Sustainable development of high-potential land

56. In order to improve agricultural productivity, which is necessary for overall economic growth, raising export earnings and enhancing food security, and to take the pressure off marginal land, greater attention needs to be paid to high-potential agricultural land. Under optimal conditions and through intensive cultivation, such areas as the central plains of India, the fertile plains and savannah belt of Africa, and the high savannah and Pacific lowland plains of Central and South America could produce enough food to meet the demand of growing populations. High-potential areas can generally sustain intensive crop production, as long as exploitation does not exceed the regenerative capacity of the soil. Agricultural productivity can be further increased through agricultural research, including safe biotechnology. The ecological challenge in high-potential areas is to implement land, water and other input management that will ensure that increased agricultural productivity does not cause land degradation in the long term. To that end it will be necessary to remove incentive regimes that encourage intensive and inefficient use of water and chemical inputs, to control their use by user charges, to adopt appropriate cultivation methods to prevent soil erosion, and to ensure that the construction of irrigation facilities meets ecological requirements. The incipient consumer movements in the industrial countries to favour agricultural products that are produced in a socially and environmentally sustainable manner may induce a change in the mode of agricultural production.

57. Some 250 million of the very poor people of the world live in areas of high-potential land. However, the benefits from increased agricultural production and productivity do not necessarily trickle down to reduce either inequality or absolute poverty levels in rural areas. Labour created by agricultural modernization can be retained in the high-potential areas by a combination of greater access to land and the creation of productive employment through the development and/or expansion of agro-industries, animal husbandry and non-farm rural industries.

B. Sustainable development of low-potential land

58. Although the growth of agricultural production will have to rely on the intensification of agriculture on high-potential land, investment in low-potential land will also be necessary, both to alleviate rural poverty and to prevent further degradation of land. Low-potential lands are generally dry lands, often subject to drought and desertification, mountain ecosystems and saline lands. Hundreds of millions of poor people live on such land and need assistance in changing their mode of farming.

59. Land degradation in marginal areas has occurred not necessarily because of the influx of growing numbers of the poor but primarily because the poor have not been provided with the infrastructure and inputs necessary to move beyond subsistence farming and herding, which deplete soil fertility. It is well known that the type of farming that is economically and ecologically sustainable on marginal land consists of intensive cultivation of tree and bush crops, and not field crops. Poor farmers should therefore be helped to switch from subsistence field crops to sustainable commercial farming of tree and bush crops. This type of farming requires irrigation facilities, better transportation and marketing services, and more capital, but it has the potential of raising the incomes of the poor and providing plant cover to the land, thus preventing further degradation. Sustainability will also require more investment in agricultural research and extension services for marginal lands and the institution of property rights, if they do not exist, taking into account traditional and/or customary rights, including communal shifting or migratory land-use rights. A certain amount of traditional food crops can still be grown on marginal lands through new techniques akin to agro-forestry. In drought-prone areas it will be necessary to establish alternative livelihood projects through investment in the development of non-farm productive activities. Promoting the sustainable use of drylands in a manner that ensures a decent living for those who depend on them is essential. In order to avoid further degradation of marginal lands, developing countries and the international community must implement urgently the provisions of the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa. 16/

C. Rehabilitation of degraded land

60. In view of the constraints on increasing cropland in most developing countries, the prevention of further degradation needs to be supplemented by measures to rehabilitate the already degraded land, both in high-potential and low-potential areas. Although not much has been accomplished so far in the way of rehabilitation, efforts have been initiated in a number of developing countries. Depending on the extent and nature of the degradation, however, rehabilitation using currently known techniques can be very costly. Furthermore, investments in rehabilitation activities have opportunity costs, one of which is foregone investments in irrigation, transportation and marketing facilities, especially in marginal lands. Prospective investments in the rehabilitation of degraded land should therefore be assessed against this alternative.

D. Reforestation and afforestation

61. Afforestation and reforestation are badly needed in many developing countries in order to meet local needs for fuelwood and for the restoration of degraded watersheds so as to increase water supply for agriculture and other uses. Intensification of agricultural production in high-potential areas will make it unnecessary to clear more forests and will free marginal land from agriculture, which then can be reforested. Switching from field crops to tree and bush crops in the marginal areas would, at once, amount to reforestation and afforestation. Reforestation offers not only environmentally positive benefits but also economic benefits. In view of the growing scarcity of wood resources for industry, plantation forestry is also an economically viable option. Afforestation programmes would quickly provide gainful employment to the poor and in the medium and long term increase the supply of fuelwood, industrial wood and water supply as well as increase the earth's supply of carbon sinks.

V. RESOURCE MOBILIZATION FOR POVERTY ERADICATION: NATIONAL EFFORTS AND INTERNATIONAL COOPERATION

A. National efforts

62. The implementation of the strategies outlined above will call for additional budgetary resources and a reallocation of governmental spending. The budgetary burden will increase in the short and medium terms in connection with the extension of economic and social infrastructures to the rural areas and the unserviced urban periphery and inner-city slums where the poor are living. It will also increase to the extent that it will be necessary to create government work programmes and to subsidize the food and housing needs of the poor. Adoption of environmentally sustainable technologies and practices will further add to the short-term budgetary burden.

63. In the context of the structural adjustments that are being gradually carried out by developing countries, there is little or no room for an increase in income and profit taxation. It may be possible to generate some additional revenues through increased taxation of luxuries. Increased indirect taxation of necessities would hurt the poor most severely. In the short and medium terms perhaps the most effective measure to increase government revenue would be to broaden the tax base through a reduction or elimination of exemptions, concessions, and tax holidays and to strengthen tax administration and collection. In the longer term, the generation of additional revenues will depend on the pace of economic growth.

64. Increased emphasis will have to be placed on the reallocation of government spending. Increased efforts are also needed to achieve, through appropriate charges and taxation, greater cost recovery from public investment in economic and social infrastructure that contributes directly to productivity, income and the appreciation of real estate. User charges on secondary and tertiary education, preventive health care, water supplies, electricity and so on, based on the ability to pay, will also help to increase government revenues. In all these areas user charges should be so designed as to achieve a satisfactory measure of cross-subsidization, with the burden falling initially on the

non-poor. As a general principle, when it comes to essential services for the poor, access ought to take precedence over cost-recovery.

65. Enlisting the full participation of the poor in the design, planning and implementation of anti-poverty programmes and projects will help indirectly by lightening the government budgetary burden. Administrative costs will be minimized, and increases in financial outlays contained. Even greater expenditure savings may be possible through the reduction of unproductive government expenditures, such as untargeted subsidies, military expenditures and "white elephant" investment projects. Moreover, the initial budgetary burden would be expected to decline as the employment and incomes of the poor rise and direct poverty mitigation measures are phased out.

B. International cooperation

66. While the major responsibility for eradicating poverty rests with the developing countries themselves, international cooperation is indispensable in order to supplement efforts at the domestic level. Perhaps the most effective area of international cooperation is international trade. Developing countries need expanding markets for their exports in the developed countries in order to carry out poverty eradication measures aimed at increasing productive employment both in urban and rural areas. Some major areas of immediate interest to the developing countries would be trade liberalization in agricultural goods, especially processed agricultural goods, textiles, and other labour-intensive light manufactures. These are primarily the areas in which small-sized enterprises, in both the urban and rural non-farm sectors, have the greatest comparative advantage. It has been estimated that liberalizing trade in agricultural commodities would yield an annual gain of $22 billion to developing countries and formerly centrally planned economies, and liberalizing trade in textiles would benefit developing countries to the tune of $50 billion a year, nearly equal to the total flow of foreign assistance. 17/

67. Technical assistance and the transfer of environmentally sound technologies deserve greater attention. Increasing the training component of technical assistance will help to develop human resources. In most countries technical assistance will be needed at various levels - training personnel to prepare poverty eradication projects, training people in various skills, training personnel to carry out area-specific agricultural research with a view to introducing technological innovation in agriculture, such as high-yield and drought-resistant seeds, training farmers to manage water resources efficiently, training micro-enterprises to market their export products and so on. To increase the effectiveness and efficiency of technical assistance, its mode of provision and its quality call for radical reform. Since developing countries are largely dependent on imports for their technology needs, sustainable development practices remain dependent on the transfer of environmentally sound technologies at affordable cost. Technical assistance must therefore be supplemented by the transfer of state-of-the-art environmentally sound technologies.

68. With regard to finance, bilateral official development assistance (ODA) should focus more on poverty eradication. It would be more effective if

targeted to investment in agricultural infrastructure meant to serve microfarmers and in employment creation for non-farm agricultural workers and urban workers. An increase in ODA is indispensable, especially in the short and medium terms if Governments are to build the necessary physical and social infrastructures.

69. The multilateral agencies and organizations of the United Nations system are all committed to poverty eradication but are constrained by lack of resources. Adequate funding of their programmes would greatly speed up poverty eradication.

70. For the highly indebted developing countries, where debt service represents a large proportion of government budgets and/or export earnings, debt relief, including debt forgiveness, will need to be an important component of external finance mobilized by the donor community to support programmes of poverty reduction.

VI. REVIEW OF PROGRESS ACHIEVED: MAIN POLICY THRUSTS AND EXPERIENCES

A. Country experiences in combating poverty

71. This section is based on the experiences of 13 developed countries, 8 developing countries and 3 countries in transition which submitted information on their national efforts to combat poverty to the preparatory process for the World Social Summit. Because of the limited country and regional coverage, the subsections on the developing countries and the countries in transition provide only a limited perspective of their current and/or planned efforts to combat poverty.

1. Developed countries 18/

72. Generally, in the developed countries the poverty problem is one of relative poverty. It is characterized by social exclusion, not by a severe absence of the basic necessities of life. Underlying it is the lack of income necessary to purchase the socially defined "basket of goods and services" adequate to ensure "social insertion".

73. The problem of social exclusion is essentially chronic, but its incidence is correlated with economic cycles. One major contributory factor is prolonged unemployment, especially of youth, owing either to structural changes, including automation, or recession. A second factor is the increasing proportion of the aged. A third factor is discriminatory practices which affect women and minority groups, including ethnic minorities, immigrants, refugees and indigenous peoples in some countries. Women generally have a higher poverty risk than men. They enjoy less security of job tenure, earn less than men on average, and have lower pension entitlements and old-age benefits. Particularly affected are single women and single mothers. In some countries ethnic minorities of both sexes are among the most socially disadvantaged and socially and economically marginalized. Some countries have significant magnitudes of

localized stubborn poverty in economically weak rural and urban areas. In several developed countries, the shortage of public housing has emerged as a particularly serious problem, as evidenced by growing numbers of homeless people or people without adequate housing. Social exclusion is reflected in shattered self-confidence, alienation, mental problems, crimes against individuals and society, outbursts of localized violence, and other social ills.

74. Developed countries, by and large, have relatively high levels of social protection, which, however, seem to be inadequate to cope with the problems of social exclusion. The degree of concern about the problem varies from country to country, as do efforts to resolve it. Major proposed solutions, some combinations of which are actually in place in individual countries, include the improvement of labour market practices; greater emphasis to vocational training and links between business and training institutions; reform or strengthening of social protection measures; means testing to enhance the effectiveness of social security schemes; special programmes targeted to pockets of urban and rural poverty; guaranteed minimum incomes; severing the link between social protection spending and economic cycles; eliminating discrimination against women and minority groups; and specific programmes for specific groups of the disadvantaged - the disabled, the handicapped, single parents, old widows, needy children and indigenous peoples.

75. For eradication of poverty in the developing world, developed countries have generally indicated the need for improving the socio-economic policy framework; making development people-centred, with emphasis on meeting basic needs and building human resources; expansion of productive employment through the creation of small and medium-sized enterprises; greater democracy and decentralization of political authority, accompanied by special actions to deal with the particularly poor and vulnerable; encouragement of grass-roots participation; and involvement of women in the development process on an equal footing with men.

76. In view of the widening gap between the world's rich and poor, the Government of Denmark sees the need to persuade the wealthy nations to redistribute resources to the poorest in the world in order to help achieve common global goals - the meeting of basic needs and the prevention of environmental degradation. Along the same line, Italy favours the extension of cooperation to developing countries through technical and financial assistance in areas related to human development - to help establish local production companies for the purpose of utilizing the labour of the weakest sections of the population; to help implement WHO and UNICEF guidelines on health and social protection; to help implement the UNESCO recommendation on basic education, literacy, vocational training and awareness of local cultures; and to facilitate real participation of the people in choosing solutions to their priority problems and carrying out their activities. As a key measure for tackling the poverty problem at the international level, Liechtenstein advocates a system of social security understood as global welfare, with emphasis on combating hunger world wide. The Government of Finland sees the need for structuring the world economy more justly to take account of the needs of the poorest countries and for creating conditions at the national level for poor people to help themselves out of poverty. The Government of Sweden supports the view that the "peace dividend" be channelled to developing countries for social development and that

States should serve as the guarantor of human rights, civil liberties and basic economic stability. Some countries have stressed the need to reduce protectionism in industrialized countries and for further trade liberalization and debt reduction.

2. Developing countries 19/

77. Four countries (India, Indonesia, Mauritius and Pakistan) reported that during the 1980s, their poverty situation improved as a result of strong economic growth, assisted by poverty alleviation measures. Iraq reported that since the imposition of the international economic embargo, its poverty situation had deteriorated, owing to the deterioration of the economic situation in general, but did not elaborate on its poverty alleviation programme aside from mentioning that poverty alleviation is linked to the lifting of the embargo. All the reporting countries, and particularly the larger ones, recognize that large numbers of their citizens continue to live below the poverty line. They stressed the view that while broad-based economic growth would continue to be important for poverty eradication in the long run, it would be equally important for the Government to take direct action to improve the lot of the poor and prevent environmental degradation. Emphasis is invariably placed on both economic policy reform and social policy reform. According to the Government of Cuba, on the basis of the Cuban experience, it is possible to achieve social development before achieving full economic development and the former can promote the latter.

78. One major common policy goal of these countries is to accelerate productivity growth along with creative employment. To that end, with varying degrees of emphasis, they proposed the need for accelerating economic growth through appropriate policy reforms; modifying the structures of production, with greater emphasis on efficient labour-intensive activities; promoting the development of local enterprises; providing financial support and infrastructural facilities; increasing vocational training; revamping training systems to induce greater flexibility and responsiveness to labour market trends; and better distributing manpower through improved market information. A second common policy goal that was strongly emphasized is faster development of human resources, with an emphasis on expanding primary education, primary health care and sanitation, including safe drinking water. The provision of adequate housing and nutrition also figures prominently in country programmes. A third common feature of proposed action is emphasis on the need for fuller participation of the poor generally - and of women, in particular - in the implementation of governmental programmes and projects meant for the poor. Fuller participation of beneficiaries in anti-poverty projects is seen as an efficient way to speed up the implementation of those programmes while keeping the government budgetary burden light. Another common concern of the countries is the promotion of equity - interregional, rural/urban and gender - in the provision of social services. The provision of reproductive health care and family planning was emphasized by India and Indonesia, and a balance between access of all to social facilities and cost recovery, by Zimbabwe.

79. Generally, the country programmes are formulated within the framework of sustainable development. In the past two years national environmental action plans were completed in India, Mauritius and Pakistan. Zimbabwe initiated

measures to reduce land degradation through a land acquisition act which calls for a review of the existing land resettlement programme to ensure that it benefits the poor. In addition, manufacturing activities have been introduced in rural areas so as to take pressure off the land. In Pakistan, explicit steps have been taken to strengthen environmental management - for example, new ordinances have been passed that mandate higher environmental quality standards and decentralized responsibility for pollution control. In India, new national policies have been adopted to combat industrial pollution through strengthened regulations and fiscal incentives.

80. Some countries have specified targets in the social sphere. For instance, the eighth development plan of India aims at achieving universal primary education and health care by the year 2000. Mauritius, where primary enrolment has reached 98 per cent, is aiming for 100 per cent enrolment with appropriate provisions for handicapped children. Zimbabwe has set a goal of housing for all by the year 2000, reduction of child and infant mortality by 32 per cent and 50 per cent, respectively, by the year 2000, and access to education facilities to all children. Indonesia aims at reducing the number of the absolute poor by 12 million, or 6 per cent of the current population, during its second long-term development plan, launched in 1993. China aims at meeting the following targets by the year 2000: adequate supply of safe drinking water for all; elimination of illiteracy among young and middle-aged people; and prevention and elimination of local diseases.

3. Countries in transition 20/

81. All the countries in transition are facing poverty problems arising from the process of transition to market economies, which is characterized by a slowing-down of economic activities and decline in incomes. The privatization of State-owned enterprises has triggered an increase in unemployment. As a consequence, large numbers of people have been driven below the poverty line. In Croatia and Yugoslavia, the problem has been aggravated by destruction of the economy by civil war. In all three countries, it has become impossible to continue to provide social services at the levels achieved earlier and to meet the needs of refugees and the victims of war. The Government of all three countries have formulated new economic recovery programmes to rekindle growth and social programmes to protect the most vulnerable groups, but they are not optimistic about rapid economic and social recovery. Yugoslavia has reported that, at present, the international sanctions on it present a severe handicap to recovery.

4. Non-governmental organizations

82. Information was received from two non-governmental organizations, SIRF from Nigeria and ACEnet from the United States. The former has initiated a poverty alleviation programme which aims at providing credit through a revolving fund to needy women and youths who want to engage in sustainable projects and ventures, particularly small-scale trading. The organization has pointed out that its activities are severely constrained by lack of funds. The latter's objective is to enable people with low incomes in the Appalachian region successfully to

enter the economic mainstream by, inter alia, organizing cooperative ventures among small firms to produce for niche markets, mobilizing financial resources on behalf of the region from outside, creating learning clusters in conjunction with other communities in the country, providing transitional support for people moving from welfare to work, and developing production and leadership skills.

B. Recent developments and experiences in international cooperation

1. Intergovernmental processes

83. Since the beginning of the decade a broad consensus has been emerging on the need for poverty eradication as a priority social objective and as a necessary condition for sustainable development in the intergovernmental processes of the United Nations system. In 1990 the World Summit for Children declared that the world had the means and the knowledge to protect the lives and diminish the sufferings of children and to promote the full development of their human potential, and it committed itself, inter alia, to work for a global attack on poverty which would have immediate benefits for children's welfare. The International Development Strategy for the Fourth United Nations Development Decade, 1991-2000, 21/ identified poverty eradication as the number one priority for the Decade and called on Member States to make every effort to meet four agreed goals during the decade: elimination of starvation and death caused by famine; substantial reduction of malnutrition and mortality among children; tangible reduction of chronic hunger; and elimination of major nutritional diseases.

84. In 1992 the Agenda for Peace linked economic growth to social stability, and social stability to broad-based socio-economic and political participation of people. It called for the empowerment of the unorganized, the poor and the marginalized. 22/ Concern about poverty eradication received much attention at the United Nations Conference on Environment and Development. Principle 5 of the Rio Declaration called on States and peoples to cooperate in the essential task of eradicating poverty as an indispensable requirement for sustainable development. 23/ Agenda 21, which devoted an entire chapter to issues relating to poverty eradication, called for a specific anti-poverty strategy as one of the basic conditions for ensuring sustainable development. 24/ The International Conference on Nutrition declared that globally there was enough food for all and that inequitable access was the main problem. It recommended that policies and programmes be directed towards those most in need and that priority be given to the implementation of people-centred policies and programmes that would increase access to and control of resources by the rural and urban poor and would raise their productive capacity and increase and strengthen their capacity to care for themselves. 11/

85. In 1993, the World Conference on Human Rights affirmed that extreme poverty and social exclusion constituted a violation of human rights. It declared that the existence of widespread poverty inhibited the full and effective enjoyment of human rights and that its immediate and eventual elimination must remain a high priority for the international community. 25/ The General Assembly, which had proclaimed 1993 as International Year for the World's Indigenous

Peoples, 26/ with a view to strengthening international cooperation for the solution of the problems faced by indigenous communities in areas such as human rights, the environment, development, and education and health, proclaimed the International Decade of the World's Indigenous Peoples, commencing in 1994. 27/ It also designated 1996 as International Year for the Eradication of Poverty. 28/ Preparation for the Year is expected to concentrate on establishing effective links among the measures to implement poverty eradication strategies contained in recent and anticipated international agreements and reports.

86. In 1994, the Intergovernmental Negotiating Committee for a Convention to Combat Desertification recommended that the national programmes of affected country parties include, inter alia, provisions to promote alternative livelihoods and to improve national economic environments with a view to strengthening programmes aimed at the eradication of poverty and at ensuring food security, sustainable management of natural resources and sustainable agricultural practices. 16/ The Programme of Action of the International Conference on Population and Development, in which poverty is a recurring theme, has established linkages between population growth, poverty, development and environment and has elaborated in great detail on the rationale and modalities for slowing down population growth and eradicating poverty, which it has called the major challenge of development efforts. The report of the Secretary-General on an agenda for development (A/49/665), which may undergo revision before it is adopted by the General Assembly, states, inter alia, that the first goal of development must be to end poverty and satisfy the priority needs of all people in a way that can be productively sustained over future generations and calls on all countries to agree on a global compact to eliminate poverty over a specified period of time.

87. While the above constitute the major and most recent international efforts at combating poverty, some major efforts that go further back in time but remain relevant might also deserve a mention. Perhaps the first international reaction to the weak impact of the "trickle-down" approach on poverty alleviation was the convening in 1976 of the World Employment Conference which, at the initiative of the ILO, adopted the "basic needs" strategy, emphasizing productive employment creation as a solution to poverty eradication. This concept lingers on and is still relevant today. In 1978, the International Conference on Primary Health Care declared, inter alia, that a main social target of the world community should be the attainment by all peoples of the world by the year 2000 of a level of health that will permit them to lead a socially and economically productive life. Health care for the poor remains a priority concern. In 1980, the General Assembly proclaimed the period 1981-1990 as the International Drinking Water Supply and Sanitation Decade, 29/ calling on Member States to assume a commitment to bring about a substantial improvement in the standards and levels of services in drinking water supply and sanitation by the year 1990. While much was accomplished in those areas in the decade, much more remains to be done.

88. In 1988 at the request of the General Assembly, Habitat, in collaboration with other United Nations organizations, formulated a Global Strategy for Shelter to the year 2000. The strategy focuses mainly on low-income population groups and is based on an "enabling approach". The objective is to assist the

large numbers of the homeless and those living in poor shelter and unhealthy neighbourhoods, whether in urban slums and squatter areas or in poor rural areas, to meet their housing needs. Both the principle underlying the strategy and its objectives are still relevant. There has been little progress in ensuring adequate housing for the poor, and therefore the challenge facing the Second United Nations Conference on Human Settlements (Habitat II) in 1996 and the international community is formidable.

89. A similar consensus on poverty eradication emerged in the preparatory processes for the World Social Summit and the Fourth World Conference on Women, both scheduled for 1995. Poverty eradication constitutes one of the three core issues of the Social Summit, and poverty and its burden on women are among the major issues of the World Conference.

90. The efforts of the intergovernmental processes of the United Nations system over the past several years have resulted in a variety of action-oriented plans, particularly in the social sectors, for the eradication of poverty. The plans comprise detailed policies and measures that are broadly convergent or complementary. Some of them also include time-bound targets in priority areas. Their implementation would go a long way towards eradicating poverty. To facilitate their effective implementation, it may be necessary to assemble, with full participation of all concerned entities of the United Nations system, all the pieces in a single, integrated operational framework with clear-cut priorities, time-bound targets in line with those set by the World Summit for Social Development in the most crucial areas, and well-defined responsibilities for national and international efforts.

2. Organizations of the United Nations system

91. The specialized agencies and organizations of the United Nations system whose mandates cover the economic and social sectors have increasingly called for greater efforts at combating poverty, and several of them have explored new approaches to that end. As far back as 1976 the ILO adopted its basic needs strategy of development to cope with the rising incidence of poverty. In the wake of structural adjustments and the consequent increase in the incidence of poverty in several developing countries, in 1987 UNICEF proposed "adjustment with a human face" to protect vulnerable groups in society during the transition to sustained growth. Reacting to the adverse consequences of structural adjustment on poverty in Africa, in 1989 the Economic Commission for Africa (ECA) expressed the view that orthodox adjustment programmes were ignoring basic structural factors which had to be taken into account if economic growth and socio-economic transformation were to be achieved. It proposed an alternative framework - namely, adjustment with transformation, having the goal of transforming the African economy from primarily an exchange economy to a human-centred production economy. In 1989, the International Monetary Fund (IMF) proposed the concept of "high-quality growth", calling for equitable growth with particular attention to the plight of the poor and the vulnerable and to environmental protection.

92. The United Nations development community has continued to press for development strategies that feature poverty reduction, with increasing

importance in the past few years given to broad-based participation and environmental sustainability. For instance, in 1990, the World Bank proposed a strategy of "poverty-reducing growth", emphasizing among other things broad-based economic growth which would generate opportunities for the poor, along with improved access to education, health care and the other social services necessary for the poor to take advantage of those opportunities. In the same year, the Committee for Development Planning observed that persistent poverty was the product of inappropriate structures and poor policies and that, in the past, anti-poverty programmes had largely been symbolic. It proposed an "enabling" set of measures aimed at enabling the poor to help themselves out of poverty. Since 1990, UNDP has suggested that growth is necessary but not sufficient for human freedom of choice and human development. It has consistently emphasized the need for human development and poverty eradication as necessary conditions for sustainable growth and environmental protection. In 1992, IFAD proposed a "new development paradigm" which propounds an approach to poverty alleviation not just as a mechanism to get the poor to cross a given threshold of income or consumption but one that is conducive to sustained increase in productivity and integration of the poor in the process of growth. The work of UNCTAD's Standing Committee on Poverty Alleviation is focused on the need to expand international trade as a means of poverty reduction.

93. The broadly common major elements of the foregoing strategies include the following: a macroeconomic policy conducive to broad-based growth; access of the poor to productive resources, particularly land and credit; adequate rural and urban infrastructures; human resources development, with an emphasis on education and training, health and sanitation, including safe drinking water; social safety nets to protect the vulnerable during structural adjustments; an enabling democratic environment favourable to fuller participation in the process of socio-economic development by the poor, including women; appropriate population policies; environmentally sustainable use of resources with poverty eradication itself seen as a necessary condition for the sustainable use of resources, particularly land; and a favourable and supportive international economic environment.

94. It is well known that the following agencies and organizations have long espoused and worked towards achieving, among other things, these goals: UNESCO, eradication of illiteracy, equal educational opportunities for all and job training for adults; WHO, universal access to health care, including sanitation and safe drinking water; UNICEF, adequate nutrition and health care for children; UNFPA, rapid demographic transition through the provision of reproductive health care and family planning services; Habitat, adequate shelter and related services for the poor; FAO, rural development, including afforestation and reforestation and agro-industries; UNIDO, rural industrialization, including agro-industries, transfer of appropriate technology and promotion of small- and medium-sector enterprises in manufacturing; IFAD, assistance to poor farmers; ILO, support for small enterprises and employment-intensive technologies accessible to the poor; UNDP, capacity-building; World Bank, expansion of opportunities by opening up markets, financial and technical assistance, and policy guidance. All these endeavours are clearly complementary and fit in neatly with the broader strategies mentioned above and with the objectives of sustainable development.

95. The development strategies proposed by the United Nations development community in recent years are convergent on the need for greater efforts at poverty eradication. All of them emphasize enabling measures and are in agreement that, while economic growth will continue to be important, the trickle-down approach will not be sufficient for poverty eradication and sustainable development. They are increasingly incorporating elements of environmental sustainability and bottom-up approaches to development into their work.

C. Organizations outside the United Nations system

1. Organisation of Economic Cooperation and Development

96. OECD addresses the poverty issue implicitly rather than explicitly. Its mandate includes provision of support to developing countries in the building of broad-based indigenous human and institutional capacities necessary to bring those countries and their peoples out of poverty. In the context of development cooperation, it emphasizes three broad goals: broad-based and environmentally sustainable growth; participatory development; and the slowing down of population growth.

97. Based on the poverty and development debate of the past two decades, the organization has identified the following as key issues for growth and equity: reorientation of economic strategy from a capital-intensive State-based strategy to a small-producer market-based strategy; correction of policy distortions; redesign of the provision of public services to enhance equity; empowerment of women; land-tenure arrangements; and population control. It recognizes that the integration of environmental concerns into development projects and programmes, while increasing benefits, will often result in increased costs requiring the mobilization of additional financial resources and technological transfers from donors.

98. OECD has become particularly interested in supporting the strengthening of broader participation of all people in the development process, through empowerment based on democratic principles, local participation at the grass-roots level, and the decentralization of decision-making; and in encouraging equal access of women to education, health and training. Participatory approaches can be assisted, inter alia, by the provision of support for decentralization programmes to the local government level and for enabling the participation of all groups at that level; by sensitizing recipient-country decision makers and aid agency staff to participatory approaches, and by responsive government.

2. European Community

99. The European Community has reported that, at the end of 1992, more than 50 million of its citizens were living in poverty and 17 million workers were unemployed. Both poverty and unemployment have grown since 1980. Poverty is therefore a major concern. Action to fight poverty and social exclusion is mainly the responsibility of the member States. However, within the constraints

of its powers and resources, EC has regularly contributed to whatever initiatives member States have taken to ensure that all citizens play an active part in building the Community.

100. Since 1975, the Community has launched three successive framework programmes to combat poverty and social exclusion. In September 1993, the Commission of EC proposed a new programme to combat social exclusion and promote solidarity; it has yet to be adopted by the Council of Ministers. The Commission also endeavoured to develop a set of more ambitious and coherent initiatives, such as a recommendation on the right of all citizens to sufficient resources to live in human dignity. It was adopted by the Council of Ministers on 24 June 1992. A solemn declaration on the rights of excluded people is being finalized.

101. The Commission now supports and cooperates with a large number of non-governmental organizations in fighting poverty. This support is largely channelled through the European federations, or platforms, of non-governmental organizations. In addition, the Commission consults with social partners (employers and trade unions), anti-poverty non-governmental organizations and the European Platform for Family Organizations on specific social exclusion issues and initiatives.

VII. CONCLUSIONS

102. The major conclusions of the present report are the following:

(a) A broad consensus has emerged over the years on the urgency of addressing the elusive and persistent problem of poverty and its deleterious implications for environmental integrity. This consensus is mirrored in the policy proposals of the United Nations agencies and organizations with mandates in the economic and social sectors. What is needed now is thorough-going and systematic action to implement their recommendations in a reasonable time-frame, taking into account the targets set at the World Social Summit;

(b) While economic growth will continue to be important, both to raise the general standard of living and to combat poverty in the long run in developing countries, reliance cannot be placed on growth that is based solely on market forces, either to combat poverty or to ensure environmental sustainability. There is an urgent need to implement an explicit poverty-reducing growth strategy that incorporates measures to ensure environmental sustainability;

(c) Just as measures to combat poverty need to be environmentally sound, the eradication of poverty is a necessary condition for sustainable development. The eradication of poverty is also essential for long-term socio-political stability - itself a precondition for sustained socio-economic development. People must be prevented from overexploiting and thus degrading natural resources out of sheer desperation to survive;

(d) The persistence of mass poverty is a reflection of socio-political structures and socio-economic policies and measures which have failed to redistribute the benefits of growth to high proportions of the population and

prevented them from participating productively in the development of their countries. Efforts to eliminate poverty, therefore, should not be viewed as acts of charity towards the poor but rather as a compelling economic necessity to mobilize the productive potential of the poor for the benefit of the poor themselves and of society generally;

(e) In order to eradicate poverty and achieve environmental sustainability, it will be necessary to shift from traditional top-down approaches to development, which often amount to the imposition of a social welfare system, as seen by a few, on the entire society, to bottom-up approaches. This calls for the full participation of all citizens in socio-political processes and in the planning and implementation of socio-economic development programmes. Full participation of all will require the creation of an enabling political environment, decentralization of decision-making to the local level, and explicit measures to empower the poor in general and women in particular, so that they may be able to include their socio-economic priorities in national, regional and local development plans and participate fully in the implementation of those plans;

(f) In developing countries the success of even the most promising strategies to eradicate poverty and safeguard environmental integrity will depend crucially on the extent of international cooperation, especially in terms of international trade, transfer of environmentally sound technologies, and financial and technical support;

(g) Governments should implement, as a matter of urgency, the recommendations contained in chapter II, "Eradication of poverty" of the Programme of Action adopted at the World Summit for Social Development; 30/

(h) In the future the Commission on Sustainable Development may wish to restrict its attention to the linkages between poverty and the natural environment, including those identified by the Social Summit. Some possible themes could be:

(i) Protection of the health of the urban poor from environmental stress;

(ii) Promotion of opportunities for small farmers and other poor agricultural, forestry and fishery workers on terms that respect sustainable development;

(iii) Environmental protection and resource management in resource-poor and environmentally fragile regions, in particular marginal lands where large numbers of the poor are located;

(iv) Afforestation and reforestation for environmental protection and for meeting the fuelwood needs of the poor;

(v) Promotion of non-farm rural industries to provide productive employment to the poor so as to relieve the pressure on marginal lands and halt deforestation;

(vi) Development of sanitary sewage disposal facilities for the poor so as to prevent water pollution.

Notes

1/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex II.

2/ World Development Report, 1992 (Washington, D.C., World Bank, 1992), p. 30.

3/ U. Simonis and others, Poverty, Environment and Development (Berlin, Wissenschaftszentrum Berlin, 1992), p. 4.

4/ Ibid., p. 15.

5/ WHO, Draft Report of the Commission on Health and Environment, 1991, p. 31.

6/ World Development Report ..., p. 29.

7/ IFAD, The State of World Rural Poverty (Rome, 1992), p. xx.

8/ World Travel and Tourism Council, Travel and Tourism's Economic Perspective (Brussels, 1995), pp. 4-8.

9/ See report of the World Conference on Education for All (Jomtien, 5-9 March 1990 (E/ICEF/1990/L.4).

10/ See UNIDO/IOD.255.

11/ See Report of the International Conference on Nutrition, Rome, 5-11 December 1992 (Rome, FAO, 1992).

12/ General Assembly resolution 42/191 of 11 December 1987.

13/ See Report of the International Conference on Population and Development, Cairo, 3-13 September 1994 (A/CONF.171/13 and Add.1).

14/ S. Davis and others, "Promoting the development of indigenous people in Latin America", Finance and Development (March 1994), p. 38.

15/ S. Davis and others, loc. cit., p. 38.

16/ See A/AC.241/27.

17/ Human Development Report, 1994 (New York, Oxford University Press, 1994), pp. 66-67.

18/ Austria, Australia, Denmark, Finland, France, Germany, Italy, Japan, Liechtenstein, Portugal, Spain, Sweden, United Kingdom.

19/ China, Cuba, India, Indonesia, Iraq, Mauritius, Pakistan and Zimbabwe.

20/ Croatia, Latvia and Yugoslavia.

21/ General Assembly resolution 45/199 of 21 December 1990.

22/ General Assembly resolution 47/120 of 18 December 1992.

23/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992, vol. I, Resolutions Adopted by the Conference (United Nations publication, Sales No. E.93.I.8 and corrigendum), resolution 1, annex I.

24/ Ibid., annex II.

25/ See A/CONF.157/24 (part I).

26/ General Assembly resolution 45/164.

27/ General Assembly resolution 48/163.

28/ General Assembly resolution 48/183.

29/ General Assembly resolution 35/18.

30/ To be issued as document A/CONF.166/9.